regard to modernisation work of Rourkela Steel Plant; and

(b) whether there are some Government guidelines with regard to award of work to Public Sector and whether these guidelines are being flouted?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SANTOSH MOHAN DEV): (a) and (b) In accordance with Government guldelines, both public and private sector organisations are to be given equal chance. The public sector organisations would be given preference only if other things are equal.

Metallurgical and Engineering Consultants (India) Limited (MECON) have received order for some of the packages under Rourkela Steel Plant Modernisation Preject. Based on Government guidelines and the company's purchase procedure, MECON have placed orders both on public as well as private sector companies.

Production of Sponge Iron

3939. SHRI S.K.T. RAMACHANDRAN: Will the Minister of STEEL be pleased to state:

(a) what steps have been taken by Government to increase indigenous sponge iron production, so that an appreciable amount of foreign exchange outflow could be served; and

(b) what is the amount paid for the import of iron scrap in the vear 1990-91 and 1991-92?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SANTOSH MOHAN DEV): (a) Government have taken several steps to increase the production of sponge iron in the country including the setting of a demonstration plant in the public sector, exemption of the sponge iron industry form the provisions of compulsory licensing and providing raw material linkages to new projects in the private sector.

(b) The approximate value of imported steel melting scrap in the last two years is given below:—

Year	Value (Rs. in crores)
1990-91	895
1991-92	480

Decline in Steel Demand

3940. SHRI MOHAMMED AMIN: SHRI ASHIS SEN:

Will the Minister of STEEL be pleased to state:

(a) whether demand for steel is going down day-by-day in the country; and

(b) if so, whether it indicates towards recession in the user industries?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SANTOSH MOHAN DEV): (a) and (b) Off-take of finished steel for domestic consumption and exports during April-October, 1992 was of the same level as in the corresponding period of the previous year. At present, there is some sluggishness in demand for steel items which is due to several factors including tight money market position, seasonal variations in demand and lower off-take by some of the user industries.

जापान को लौह अयस्क की आपूर्ति

3941. **श्री कैलाश नारायण सारंग:** क्या इस्पात मंत्री यह बताने की कृपा करेंगे कि:

(क) जापान को बैलाडीला क्षेत्र से लौह अयस्क की आपूर्ति किए जाने का निर्धारित समय कब तक है;

(ख) क्या सरकार उक्त अवधि के बाद लौह अयस्क का उपयोग घरेलू उद्योगों में करने तथा सरकारी और निजी क्षेत्र में लोह और इस्पात संयंत्रों की स्थापना करने का विचार रखती है; और

(ग) यदि हां, तो इस योजना के कब तक क्रियान्वित किए जाने का विचार है?

इस्पात मंत्रालय के राज्य मंत्री (श्री सन्तोष मोहन देव): (क) जापानी स्टील मिल्स के साथ हुए विद्यमान दीर्घकालिक करार जो बैलाडीला सहित देश के विभिन्न क्षेत्रों से लौह अयस्क की सप्लाई से संबंधित है, वर्ष 1995-96 में समाप्त होगा।

(ख) और (ग) बैलाडीला लौह अयस्क का स्वदेशी लोहा और इस्पात संयंत्र जिसमें विशाखापत्तनम इस्पात संयंत्र भी शामिल है और विभिन्न स्पंज लौह संयंत्र पहले से ही उपयोग कर रहे हैं। कार्यान्वयनाधीन कुछ स्पंज लोहा/कच्चा लोहा संयंत्रों का भी बैलाडीला लौह अयस्क का उपयोग करने का प्रस्ताव है।

Reduction in Steel price by SAIL

3942. SHRI KRISHNA KUMAR BIRLA: Will the Minister of STEEL be pleased to state:

(a) whether the Steel Authority of India Limited have decided to reduce the prices of steel to bring it in line with the prevailing international market;

(b) if so, whether the prices of steel in the international market is far below than the prices of steel in the country;

(c) if so, what steps Government propose to take to bring down the prices of steel in the country?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SANTOSH MOHAN DEV): (a) No, Sir.

(b) In the International market, the prices of various categories of steel fluctuate from time to time depending on the International Trade in steel. The export prices of steel from countries like Japan, Germany and Brazil are much lower than their own internal market prices. Therefore, a comparision of the domestic prices of Indian Steel with the International prices will not be appropriate. However, the production cost of steel in SAIL Steel Plants exclusive of duties and levies is still comparable to the cost of production of steel in Japan, Germany and USA.

(c) After de-regulation of prices and distribution of Iran and Steel w.e.f. 16.1.1992 the main producers are free to determine their prices, However, open market prices of steel vary from time to time and place to place due to various factors including local demand-supply situation, overall steel demand-supply position in the country, prices of steel in international market and levels of import.

During the last three months the open market prices of different steel items have shown a general decline. On an average, while the open market prices of long products like billets, wire rods, rounds, channels and tor-steel have shown a decline of 2% to 8%, those of flat products like plates, HR coils, GP/GC sheets have shown a decline of 1% to 6%.

Import of Coking Coal

3943. SHRI KRISHNA KUMAR BIRLA: Will the Minister of STEEL be pleased to state:

(a) whether the Tata Iron and Steel Company have offered to Government to act as the canalising agency for the import of low ash coking coal for all the integrated steel plants in the country;

(b) if so, whether the proposal given by the Tata Iron and Steel Company would adversely affect on the policy of the SAIL; and

(c) if so, the reaction of Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SANTOSH MOHAN DEV): (a) No formal offer has been received by Government from the Tata Iron and Steel Company Limited (TISCO).

(b) and (c) Do not arise.